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Mexico Announces Suspension of TRQ for Dry Beans

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Policy and Program Announcements

Agricultural Situation

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Report Highlights:

The Mexican Government published an Announcement in the *Diario Oficial* (Federal Register) on June 20, 2014 suspending the established mechanism to allow for the importation of dry beans under the tariff rate quota system for the year 2014. This announcement does not affect NAFTA countries. Mexican importers may continue to import duty free dry beans from the United States.

General Information:

Introduction: This report summarizes an official [Announcement](#) by the Secretariat of Economy (SE) published in Mexico's *Diario Oficial* (Federal Register) on June 20, 2014, related to the suspension of the allocation mechanism that allows for the importation of dry beans under the tariff rate quota, published on June 27, 2008 (see 2008 GAIN report [MX8046](#) "*Mexico Announces a Tariff Rate Quota on Dry Beans*"). The suspension applies to 2014.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: Agreement that suspends for 2014 the implementation of diverse which disclosed the allocation mechanism to import dry beans under the tariff rate quota, published on June 27, 2008.

Important Dates:

1. Publication Date: June 20, 2014
2. Enforcement Date: June 21, 2014

Executive Summary:

Each year, based on the dry bean domestic market situation, SE determines whether or not to implement a dry bean TRQ for that specific year. This year, on June 20th, SE published an Agreement that was announced in Mexico's *Diario Oficial* (Federal Register) suspending for 2014 the established TRQ allocation mechanism to allow for the importation of dry beans.

The new Agreement states that the SE must take into account the TRQ allocation mechanism, including data provided by official authorities, such as the Service for Food and Fisheries Information (SIAP), administrative agency of the Secretariat of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA). According to SIAP, in 2013 Mexico's dry bean production was estimated at 1.3 million metric tons, an increase of 20 percent compared to 2012, implying sufficient availability of dry beans in the domestic market.

Taking into account this official information as well as accounting for dry bean imports from countries that have free trade agreements with Mexico, the SE estimates what is necessary to control the flow of dry bean imports. For 2014, abundant domestic dry bean production is expected. Therefore, per the Agreement assignment mechanisms for imports of dry beans under the TRQ (posted on June 27, 2008), the SE will not issue TRQ import's certificates on dry edible beans (H.S. 0713.33.02, 0713.33.03 and 0713.33.99) for the year 2014.

Some trade sources and media outlets had a few weeks earlier stated that the multi annual dry bean TRQ had been cancelled. However, that information was inaccurate. The suspension is only for 2014.

Consequently, this indicates that in upcoming years, depending on the domestic dry edible bean production and ending stock levels, the Mexican government may be able to once again announce the mechanism to assign the TRQ for dry edible beans.

Also, as the Agreement states, Mexican importers may continue import duty free dry beans from

NAFTA countries and Nicaragua in 2014. Thus, this Announcement does not affect imports of dry beans from the United States. If Mexican importers wish to import dry beans from other countries, they will be required to pay the corresponding import duties, i.e. 128 percent for China and 20 percent for Argentina.

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FAS/Mexico Web Site: We are available at www.mexico-usda.com.mx or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.